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FORD ECONOMIC REPORT IN PERSPECTIVE

ANNCR:

PRESIDENT FORD SAYS HIS KEY ECONOMIC GOAL IS TO ESTABLISH AN ECONOMIC ENVIRONMENT IN WHICH CONTINUING GROWTH CAN TAKE PLACE WITH A MINIMUM OF INFLATION. VOA BUSINESS EDITOR FRANK FEINBERG HAS THESE OBSERVATIONS ON THE PRESIDENT'S 1976 ECONOMIC REPORT:

VOICE:

MISTER FORD, IN HIS NEW REPORT, SAYS THE U.S. ECONOMY IS STEADILY GROWING HEALTHIER, AND THAT HIS POLICIES ARE INTENDED TO PERPETUATE THAT UPWARD PATH. THE PRESIDENT AND HIS COUNCIL OF ECONOMIC ADVISERS REPORT THAT INFLATION AND UNEMPLOYMENT REMAIN TWO OF THE NATION'S GREATEST CONCERNS. BUT THE REPORT ON THE ECONOMY SAYS NOTABLE, GENUINE PROOGRESS HAS BEEN MADE IN OVERCOMING THESE ADMITTEDLY SERIOUS PROBLEMS.

IN ANY YEAR, THE PRESIDENT'S ECONOMIC REPORT, TOGETHER WITH HIS ANNUAL FISCAL BUDGET, OUTLINES THE INCUMBENT ADMINISTRATION'S PHILOSOPHY ON ECONOMIC MATTERS. PRESIDENT FORD MAKES SEVERAL ASSUMPTIONS WHOSE FUTURE VALIDITY COULD VITALLY AFFECT THE U.S. ECONOMY'S FUTURE COURSE, AND ALSO COULD HAVE REPERCUSSIONS IN TODAY'S INTERDEPENDENT INTERNATIONAL ECONOMY.

THE PRESIDENT AND HIS ECONOMIC ADVISERS BELIEVE THE RECOVERY NOW IN PROGRESS CAN CONTINUE -- WITH A MINIMUM OF FISCAL STIMULUS FROM THE NATIONAL TREASURY. AND THE FORD ADMINISTRATION IS ASSUMING THAT AMERICAN VOTERS -- IN THIS PRESIDENTIAL

ELECTION YEAR -- SHARE ITS CONVICTION THAT THE GOVERNMENT IN WASHINGTON MUST SCALE DOWN ITS SPENDING.

PRESIDENT FORD'S PHILOSOPHY IS CALCULATED ON A MINIMUM OF GOVERNMENT FISCAL STIMULUS, AND A MAXIMUM CONVICTION IN THE ABILITY OF THE U.S. FREE ENTERPRISE SYSTEM TO SUSTAIN AND BROADEN ECONOMIC GROWTH. ALSO, AND THIS PERHAPS IS THE CORE OF THE ADMINISTRATION'S ECONOMIC POSITION, IT FIRMLY BELIEVES THAT A RESURGENCE OF INFLATION IS THE GREATEST THREAT TO THE ECONOMY. AND IT THINKS THAT GOVERNMENT SPENDING TO CREATE JOBS CAUSES INFLATIONARY PRESSURES.

A GREAT MANY IN THE OPPOSITION DEMOCRATIC PARTY AND OTHERS, INCLUDING SOME LIBERAL REPUBLICANS, DO NOT SHARE THIS VIEW. THEY SAY THE PRESENT UNEMPLOYMENT RATE OF MORE THAN EIGHT PER CENT IS HIGH BY U.S. STANDARDS, NOTWITHSTANDING THAT MORE THAN EIGHTY-FIVE MILLION AMERICANS HOLD JOBS. CRITICS OF THE ADMINISTRATION'S ECONOMIC POLICIES SAY THE JOBLESS RATE MUST BE BROUGHT DOWN AS QUICKLY AS POSSIBLE -- THAT UNEMPLOYMENT MEANS LOSS OF CONSUMER SPENDING TO THE ECONOMY. SENATOR HUBERT HUMPHREY, A POSSIBLE DEMOCRATIC PRESIDENTIAL CANDIDATE, FAVORS GOVERNMENT SUPPORT FOR FULL EMPLOYMENT -- A JOB FOR EVERY PERSON WHO WANTS TO WORK.

OTHERS CRITICIZE PRESIDENT FORD'S PROPOSED INCREASES IN DEFENSE SPENDING, WHILE ADVOCATING REDUCED GOVERNMENT PARTICIPATION IN MEDICAL AND OTHER SOCIAL PROGRAMS. THE PRESIDENT RETORTS THAT STRONG DEFENSES FOR AMERICA AND ITS ALLIES MUST BE THE NUMBER ONE PRIORITY.

THE PRESIDENT AND HIS ECONOMIC COUNSELORS CONCEDE THERE ARE VALID ARGUEMENTS FOR ASSIGNING VARIED PRIORITIES IN

A THREE-HUNDRED-NINETY-FOUR THOUSAND MILLION DOLLAR BUDGET -- THE TOTAL FOR FISCAL YEAR 1977. BUT THEY ASSERT -- WITH VIGOR -- THAT THEIR PROJECTED COURSE WOULD HELP ENSURE NOT ONLY CONTINUED ECONOMIC IMPROVEMENT NOW, BUT -- AND THEY EMPHASIZE THIS -- FUTURE U.S. ECONOMIC VITALITY, AS WELL. THE COMING MONTHS, DURING WHICH THE DEMOCRATIC -CONTROLLED CONGRESS WILL CONSIDER THE PRESIDENT'S BUDGET AND ECONOMIC REPORT, COULD WELL BE A HARBINGER OF THE NATION'S ECONOMIC PATH.

GH/RCS